



Ambulatory Surgical Center Payment Update – January 2025

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Effective Date: January 1, 2025	Related Change Request (CR) Number: CR 13934
Implementation Date: January 6, 2025	Related CR Transmittal Number: R13044CP
Related CR Title: January 2025 Update of the Ambulatory Surgical Center [ASC] Payment System	

Affected Providers

- Ambulatory Surgical Centers (ASCs)
- Physicians
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients

Action Needed

Make sure your billing staff knows about these payment system updates for January:

- New device categories, CPT, and HCPCS codes
- Drugs and biologicals
- Skin substitutes
- Non-opioid treatments for pain relief

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Background

CR 13934 provides changes to and billing instructions for various payment policies CMS is implementing in the January 2025 ASC payment system update. The changes are:

1. New Device Category Starting January 1, 2025

Section 1833(t)(6)(B) of the [Social Security Act](#) says that under the Outpatient Prospective Payment System (OPPS), categories of devices are eligible for transitional pass-through payments for at least, but not more than 3 years. Also, section 1833(t)(6)(B)(ii)(IV) of the Social Security Act requires we create additional categories for transitional pass-through payment of new medical devices not described by existing or previously existing categories of devices. We also apply this policy in the ASC payment system.

For the January 2025 update, we approved 5 new devices for pass-through status under the OPPS and are establishing the new device categories in the ASC payment system. These codes are effective January 1, 2025:

- C1735
- C1736
- C1737
- C1738
- C9610

See [Table 1](#) for the HCPCS codes, code descriptors, and ASC Payment Indicators (PI).

Note: We approved HCPCS code C1739 (Tissue marker, imaging and non-imaging device (implantable)) for pass-through status under the OPPS starting January 1, 2025, however, we don't allow payment in ASCs because there isn't a covered surgical procedure you can perform with C1739. We'll package C1739 (ASCPI=N1) in the ASC setting starting January 1, 2025.

a. Device Offset from Payment for Certain HCPCS Codes

Section 1833(t)(6)(D)(ii) of the Social Security Act requires that we deduct an amount that reflects the device portion of the Ambulatory Payment Classification (APC) payment amount from OPPS pass-through payments for devices. This deduction is the device offset or the part of the APC amount we associate with the cost of the pass-through device.

We determined that offsets are associated with the costs of the new device categories described by the HCPCS codes in [Table 2](#). In the ASC setting, you should always bill the device in these categories with 1 of the associated CPT codes that are in Table 2. We include the associated devices, procedures, and offset percentages, as well as existing ASC code pairs, in the January 2025 [ASC code pair file](#).

Note: You should always bill device category HCPCS codes C1735–C1738 and C9610 with one of the paired CPT codes that are in Table 2.

b. Expiring Separate Payment Status for 2 Device Category HCPCS Codes

Section 1833(t)(6)(B) of the Social Security Act specifies that categories of devices are eligible for transitional pass-through payments for at least 2, but not more than 3 years. See [Table 3](#) for the 2 codes that expire starting January 1, 2025, in the OPSS. These codes have been separately payable in the ASC setting, and we'll package them (ASC PI=N1) in the ASC setting starting January 1, 2025. We'll include payment for these codes in the primary service.

ASCs should not separately bill for packaged codes (ASC PI=N1) since they aren't reportable under the ASC payment system.

2. Payment for CPT Codes 0660T & 0661T, iDose TR (travoprost intracameral implant) for the Treatment of Glaucoma, Retroactive to January 1, 2024

For the July 2021 update, the CPT Editorial Panel established CPT code 0660T and 0661T to describe the services associated with the implantation, removal, and reimplantation of the iDose TR, which is a prostaglandin analog used for reducing intraocular pressure in patients with open-angle glaucoma or ocular hypertension. On December 13, 2023, the FDA approved the New Drug Application for iDose TR. Based on this approval, we pay separately for these codes under the OPSS effective retroactive to January 1, 2024. We also pay for these codes in the ASC.

See [Table 4](#) for the CPT codes, descriptors, and ASC PIs for CPT codes 0660T and 0661T.

3. New HCPCS Code Describing the Automated Preparation of a Skin Cell Suspension Autograft Starting January 1, 2025

We're establishing a new HCPCS code, C8002, to describe the automated preparation of a skin cell suspension autograft.

See [Table 5](#) for the HCPCS code, descriptors, and ASC PI for HCPCS code C8002.

4. New HCPCS Code Describing the Implantation Procedure of a Medical Knee Shock Absorber Starting January 1, 2025

We're establishing a new HCPCS code, C8003, to describe the implantation procedure of a medical knee extraarticular shock absorber.

See [Table 5](#) for the HCPCS code, descriptors, and the ASC PI for HCPCS code C8003.

5. New ASC Surgical Procedures Starting January 1, 2025

We added 32 new, separately payable procedures to the ASC-covered procedures and covered ancillary lists. See [Table 5](#) for the CPT codes, descriptors, and ASC PIs.

We also added 33 separately payable procedures to the ASC-covered procedures that were previously non-payable or packaged (ASC PI=N1/S1). This includes 19 dental procedures we're adding to the ASC covered procedures list. See [Table 6](#) for the CPT codes, descriptors, and ASC PIs.

For the ASC payment rates for the codes in [Table 5](#) and [Table 6](#), see the January 2025 [ASC Addenda AA and BB](#).

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6. Drugs, Biologicals & Radiopharmaceuticals Starting January 1, 2025

a. New HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals

We're establishing 33 new drug, biological, and radiopharmaceutical HCPCS codes on January 1, 2025. We're deleting several old HCPCS codes on December 31, 2024.

See [Table 7](#) for the HCPCS codes, descriptors, and the ASC PIs.

b. Unpackaging Certain Diagnostic Radiopharmaceuticals

As of January 1, 2025, we'll separately pay (ASCPI=K2) for 22 diagnostic radiopharmaceuticals that we previously packaged (ASCPI=N1/S1).

See [Table 8](#) for the HCPCS codes.

c. HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals Deleted or Discontinued as of December 31, 2024

We're deleting 16 drug, biological, and radiopharmaceutical HCPCS codes on December 31, 2024. See [Table 9](#) for the HCPCS Codes.

Note: We'll replace both HCPCS codes J9058 and J9059 with J9036 for the reporting of these therapeutically equivalent bendamustine, and we'll delete J9058 and J9059 on December 31, 2024.

We're changing 1 HCPCS code, J9198, to a non-payable PI on January 1, 2025, since the manufacturer has discontinued the product. We'll change the PI for this code from "K2" to "Y5." See [Table 9](#) for the HCPCS code, descriptor, and updated ASC PI.

d. HCPCS Codes for Drugs, Biologicals & Radiopharmaceutical Changing PIs Retroactive to October 1, 2024

We're changing 2 HCPCS code PIs retroactive to October 1, 2024. See [Table 10](#) for the HCPCS codes.

e. HCPCS Codes for Drug, Biologicals & Radiopharmaceuticals with Descriptor Changes

We're substantially changing 4 HCPCS code descriptors as of January 1, 2025. See [Table 11](#) for the HCPCS codes.

f. Drugs & Biologicals with Payments Based on Average Sales Prices (ASP)

For CY 2025, we'll pay for the majority of non-pass-through drugs, biologicals, and therapeutic radiopharmaceuticals at a single rate of ASP + 6% (or ASP + 6% or 8% of the reference product for biosimilars). In CY 2025, we'll make a single payment of ASP + 6% for pass-through drugs, biologicals, and radiopharmaceuticals to pay for both the acquisition cost and pharmacy overhead costs of these pass-through items (or ASP + 6% or 8% of the reference product for biosimilars). We'll update payments for drugs and biologicals based on ASPs on a quarterly basis as later quarter ASP submissions become available.

Starting January 1, 2025, we'll change payment rates for many drugs and biologicals from the values published in the CY 2025 OPPS/ASC final rule because of the new ASP calculations based on sales price submissions from the third quarter of CY 2024. For the updated payment rates effective January 1, 2025, see the January 2025 [ASC Addenda BB](#).

g. Drugs & Biologicals Based on ASP Methodology with Restated Payment Rates

We are retroactively correcting some drugs and biologicals we pay based on ASP methodology. These retroactive corrections typically occur on a quarterly basis. For the list of drugs and biologicals with corrected payment rates, see the [Restated Drug and Biological Payment Rates](#) on the first date of the quarter.

7. Skin Substitutes

We package the payment for skin substitute products that don't qualify for hospital OPPS pass-through status into the OPPS payment for the associated skin substitute application procedure. We also implement this policy in the ASC payment system. We divide the skin substitute products into two groups for packaging purposes:

- High-cost skin substitute products: Only used in combination with the performance of 1 of the skin application procedures described by CPT codes 15271–15278
- Low-cost skin substitute products: Only used in combination with the performance of 1 of the skin application procedures described by HCPCS codes C5271–C5278

We assign new skin substitute HCPCS codes into the low-cost skin substitute group unless we have OPPS pricing data that demonstrates the cost of the product is above either the mean unit cost of \$50 or the per day cost of \$833 for CY 2025.

a. New Skin Substitute Products as of January 1, 2025

We're activating 8 new skin substitute HCPCS codes as of January 1, 2025. We'll package the codes and assign them to the low-cost skin substitute group. See [Table 12](#) for the new packaged codes.

Note: ASCs shouldn't separately bill for packaged skin substitutes since packaged codes (ASCPI=N1) aren't reportable under the ASC payment system.

b. Skin Substitute Assignments to High-Cost and Low-Cost Groups for CY 2025

We're assigning 4 skin substitute HCPCS codes from the low-cost to the high-cost substitute group as of January 1, 2025. See [Table 13](#) for the HCPCS codes.

8. HCPCS Codes, PIs, APC Assignments & Payment Limitations for Qualifying Non-Opioid Treatments for Pain Relief Starting January 1, 2025

Section 4135 of the [Consolidated Appropriations Act, 2023](#) established the eligibility criteria for temporary additional payments for certain non-opioid treatments for pain relief, and we finalized the payment policy in the CY 2025 OPPS/ASC final rule. We fully evaluated applicable non-opioid treatments against the statutory eligibility criteria and determined the products in [Table 14](#) meet the statutory definition of a non-opioid treatment for pain relief and should be paid according to the finalized policy starting January 2025. Section 1833(t)(16)(G)(iii) of the Social Security Act states that the separate payment amount specified in clause (ii) shall not exceed the estimated average of 18% of the outpatient department (OPD) fee schedule amount for the OPD service (or group of services) with which the non-opioid treatment for pain relief is provided, as determined by the Secretary. See [Table 15](#) for the finalized payment limitation amount for each product, which we'll update annually.

We redefined the ASC PI "L6" ("New Technology Intraocular Lens (NTIOL); special payment") as "Special payment; NTIOL or qualifying non-opioid devices," which accounts for non-opioid devices paid for under the ASC payment system, under section 4135 of the Consolidated Appropriations Act, 2023.

9. CY 2025 ASC Wage Index

In the CY 2025 Inpatient PPS and Long-Term Hospital Care PPS final rule, we finalized our proposal to use the new core-based statistical area (CBSA) delineations issued by the Office of Management and Budget (OMB) in [OMB Bulletin 23-01](#) for the Inpatient Prospective Payment System (IPPS) hospital wage index starting in CY 2025.

In the CY 2025 OPPS/ASC final rule, we finalized our proposal to use the new CBSA delineations for the ASC payment system because the ASC wage indexes for the CYs are the pre-floor and pre-reclassified IPPS hospital wage indexes for the FY. See [Attachment B](#) for a comprehensive list of all county-to-CBSA delineations for CY 2025.

10. Coverage Determinations

As a reminder, the fact that we assign a drug, device, procedure, or service a HCPCS code and a payment rate under the ASC payment system doesn't imply coverage by Medicare but indicates only how we may pay for the product, procedure, or service if covered by the Medicare program. Your MAC determines whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs determine that it's reasonable and necessary to treat the patient's condition and whether it's excluded from payment.

More Information

We issued CR 13934 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

Document History

Date of Change	Description
January 14, 2025	Initial article released.

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